

VZCZCXRO9657
OO RUEHCI
DE RUEHKT #1008/01 3090939
ZNY CCCCC ZZH
O 050939Z NOV 09
FM AMEMBASSY KATHMANDU
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0991
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 7188
RUEHLM/AMEMBASSY COLOMBO PRIORITY 7525
RUEHKA/AMEMBASSY DHAKA PRIORITY 2864
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 5566
RUEHLO/AMEMBASSY LONDON PRIORITY 6673
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 3322
RUEHWL/AMEMBASSY WELLINGTON PRIORITY 0044
RUEHCI/AMCONSUL KOLKATA PRIORITY 4830
RUEKJCS/SECDEF WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 3718
RHEFDIA/DIA WASHDC PRIORITY
RHMFISS/CDR USPACOM HONOLULU HI PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 04 KATHMANDU 001008

SIPDIS

E.O. 12958: DECL: 11/06/2019

TAGS: [PGOV](#) [PHUM](#) [KDEM](#) [NP](#)

SUBJECT: NEPAL: LASTING CHALLENGES TO PEACE PROCESS

REF: KTM 00958

Classified By: Classified By: Charge d'Affaires a.i. Jeffrey Moon. Reasons 1.4 (b/d).

11. (C) Summary and Introduction: As political party leaders fight for short-term control of government, Nepal's peace process remains stalled. The consensus between the key political parties that existed 2005-2007 -- which led to the end of the conflict, the holding of multiparty elections, and the dismantlement of the monarchy -- has evaporated. The country's largest political party, the United Communist Party of Nepal-Maoist, remains outside the government, maneuvering (so far unsuccessfully) to return to power. The current governing coalition, the Communist Party of Nepal-United Marxist Leninist (UML) and the Nepali Congress, are deeply divided and disorganized, and the Terai-based Madhesi parties have splintered. Key pending issues are continued Maoist aggression, the Maoists' lackluster commitment to democracy, release of more than 4,000 Maoist combatants disqualified by the United Nations Mission in Nepal, the integration and rehabilitation of the 19,000 Maoist combatants who remain in cantonments, the shape of the new federal state, return of property seized by Maoists during the war, and investigation and resolution of human rights abuses.

12. (SBU) The Nepal "peace process" consists of a patchwork of some sixteen agreements between various factions, the most important being the 2005 12-Point Understanding between the Maoists and Seven Party Alliance, and the 2006 Comprehensive Peace Accord. Following is a summary of the status of the eight key outstanding issues contained in these agreements. End Summary and Introduction.

Establishing a Ceasefire and Halting Maoist Aggression

13. (SBU) The Maoists and the GON agreed to cease armed conflict, and the Maoists, including their affiliated YCL, also agreed to halt aggressive behavior, including threats, intimidation, and the carrying of weapons. The government agreed to democratize the Nepal Army (NA) and decrease troop levels to pre-war numbers. Both sides agreed to halt recruitment of new personnel.

--HALF-COMPLETED: The ceasefire between the Nepal Army and the Maoist People's Liberation Army (PLA) has held, one of the major successes of the peace process. The army confined itself to its barracks (with the exception of certain

permissible situations) and the PLA moved into cantonments. Despite a successful ceasefire, numerous instances of Maoist combative rhetoric, extortion and intimidation continue. Although these incidents have not resulted in resumption of violence, they clearly violate the peace agreements. The Maoists have not dismantled the YCL. The NA has not implemented "democratization" provisions--partly because this has never been defined--and has not made plans to decrease personnel from roughly 90,000 to around 40,000. The NA has said it wants to acquire lethal equipment and recruit new personnel to fill attrition, both of which the Maoists and UNMIN consider to be a violation of peace agreements.

Integration and Rehabilitation of Maoist Combatants

¶4. (C) All parties agreed that Maoist PLA combatants would be either integrated into Nepal's "security forces" or be "rehabilitated" into society.

--UNDONE: The agreements left the specifics of the integration and rehabilitation of Maoist combatants vague, likely because both parties thought they would win upcoming political elections and then be able to dictate the specific terms. The Special Committee on Supervision, Integration, and Rehabilitation of Maoist Combatants, created to sort out the integration and rehabilitation details, has been unable to reach consensus on an appropriate means of integrating the PLA combatants into the Nepal Army, the police, and other institutions and for rehabilitating the rest. Maoists want PLA units to be integrated into the army en masse, and Maoist

KATHMANDU 00001008 002 OF 004

army leaders to receive leadership ranks in the Nepal Army. Post has learned there is tacit approval from the military to accept a limited number of combatants, but the Nepal Army fears integration of any "ideologically indoctrinated" former combatants could undermine the entire army. The military believes that this fear was confirmed by a video in early 2008 of Maoist leader Prachanda telling PLA cadres that destroying the Army from the inside was their specific mission. The military's position is that combatants should enter as individuals and meet normal recruitment standards.

¶5. (C) Roughly 4,000 Maoist disqualified combatants still live in cantonments, some of whom are minors. The Maoists must remove the "disqualified combatants" as part of the integration and rehabilitation process. After two years of stalling, the Maoists finally let the UN and Peace Ministry officials meet with the disqualified combatants. On October 23, the Maoists also permitted Charge, Kathmandu-based ambassadors, and UNMIN's chief representative to visit a cantonment and meet with the camp commander in eastern Nepal. The Ministry and the Maoists have crafted a new plan for their removal, but it is unclear to what extent the Maoists support the plan (reftel).

Creating a New Federal Nation

¶6. (SBU) The parties agreed to restructure the state into a federal "inclusive, democratic and progressive state."

--HALF-COMPLETED: Monarchy rule was eliminated and a Constituent Assembly (CA) was established, but success ends there. The shape and structure of the new federal state is one of the most contentious issues being debated in the CA. The parties have not agreed on how to divide power and draw state boundaries. Demands for regional autonomy, especially in southern Nepal's Terai area, could enflame ethnic tensions. The constitution is supposed to be completed by May 28, 2010, but due to disagreements over federalism and other issues the CA is unlikely to meet the deadline. (Comment: This is the single, most difficult issue to resolve. The various parties have proposed solutions along geographic and ethnic lines that are probably impossible to harmonize through negotiations and compromise. Regardless of the approach ultimately adopted, significant constituencies

will be extremely disappointed, almost certainly leading to future discontent and possibly violence. End Comment.)

Adherence to Democratic Norms

¶7. (SBU) The Maoists pledged to adhere to democratic norms, multiparty system, civil liberties, fundamental rights, human rights, and to respect the rule of law.

--HALF-COMPLETED: The Maoists supported multiparty democracy, participating in the 2008 Constituent Assembly (CA) elections and forming a coalition government. The Maoist leaders say they are committed to democratic principles, but when speaking to Maoist rank and file the same leaders use anti-democratic rhetoric. Since August 2009, Maoist CA members and activists have increased protests against the ruling coalition, blocking Parliament from convening and at times stoning the vehicles of government ministers. However, Maoist CA members continue to work on the constitution drafting process. Post remains skeptical of the Maoists' overall commitment to democratic values.

Human Rights and Investigations into Past Injustices

¶8. (SBU) The parties agreed to respect human rights and press freedom and investigate human rights abuses committed during the war.

--HALF-COMPLETED: Violations of human rights and freedom of the press continue, but much less frequently than during the conflict, and prisoners held by both sides have been released. The National Human Rights Commission has been established and is weak but functional. Human rights abuses have been investigated but a culture of impunity for the

KATHMANDU 00001008 003 OF 004

perpetrators makes prosecution difficult. The government has yet to establish the high level Truth and Reconciliation Commission or Commission for the Investigation of the Disappeared, although they have conducted outreach efforts on both subjects.

Return Property Seized by Maoists

¶9. (SBU) The Maoists pledged to return property seized during the war and to allow political opponents driven from their villages to return home.

--UNDONE: The Maoists have yet to relinquish control of the majority of property, and are even accused of continuing to seize some property. Those who received the land from the Maoists continue to live and work on it, making return pragmatically difficult. Positively, many non-Maoist political activists have returned to their home areas, although threats against them continue sporadically.

TWO LONG-TERM GOALS

¶10. (SBU) ENDING DISCRIMINATION AND PROMOTE SOCIAL INCLUSION: The parties agreed to end discrimination based on "class, ethnicity, language, gender, culture, religion and region and to address the problems of women, untouchables (Dalits), indigenous people, ethnic minorities (Janajatis), Terai/Madhesi communities, oppressed, neglected and minority communities, and the backward areas." Some agreements contained language advocating proportional representation of minorities in the constituent assembly, political parties, the media, the military, government appointments, and development efforts. These efforts are in progress, mostly through proposed legislation or as draft sections of the new constitution.

¶11. (SBU) ECONOMIC REFORM AND CREATION OF SOCIAL SERVICES: The parties agreed to plans for comprehensive socio-economic reform including ending feudal land ownership, promoting national industries and resources, ensuring access to

education, health, housing, employment and food security, assisting the landless and bonded laborers, implementing land reform, fighting corruption, generating employment, and ensuring prosperity. Discussions have begun, but it will be a long time before these provisions will be considered successfully completed.

Timeline

¶12. (U) Chronology of the Conflict and Peace Process

- 1996: Maoist's declare "people's war" against the royalist government
- 2001: Crown prince massacres ten members of the royal family including king, queen, and self
- February 2005: King dissolves government, imposes state of emergency and curfew
- November 22, 2005: 12 Point understanding between the Seven Party Alliance (SPA) and the Maoists
- March 2006: Maoists call for blockade of Kathmandu Valley
- April 2006: "People's Movement" forces King to relinquish power
- April 26, 2006: Maoists withdraw blockade and announce ceasefire
- April 28, 2006: Parliament reconvenes
- May 16, 2006: 8 point agreement between SPA and Maoists
- May 25, 2006: The Code of Conduct for Ceasefire agreed to by the Government of Nepal and the Maoists
- November 8, 2006: Agreement between SPA and the Maoists
- November 21, 2006: Comprehensive Peace Accord (CPA)
- December 8, 2006: Agreement on Monitoring of Management of Arms and Armies (AMMAA)
- December 2006: Parties agree on Interim Constitution
- December 23, 2007: 23 Point Agreement between SPA top leaders
- April 2008: Constituent Assembly elections held
- August 2008: Maoist leader Pushpa Kamal Dahal "Prachanda" elected Prime Minister
- May 2009: Prachanda resigns as Prime Minister, Maoists

KATHMANDU 00001008 004 OF 004

leave government, and new government under Prime Minister M.K. Nepal formed.
MOON